

Safety & Environmental Enforcement, Interior

§ 256.7

**PART 256—LEASING OF SULPHUR
OR OIL AND GAS IN THE OUTER
CONTINENTAL SHELF**

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**Subpart A—Outer Continental
Shelf Oil, Gas, and Sulphur
Management, General**

§ 256.0 [Reserved]

§ 256.1 Purpose.

The purpose of the regulations in 30
CFR part 256 is to establish the proce-
dures under which the Secretary of the
Interior (Secretary) will exercise the
authority to administer a leasing pro-
gram for oil, gas and sulphur. The pro-
cedures under which the Secretary will
exercise the authority to administer a
program to grant rights-of-way, are ad-
dressed in part 250, subpart J.

§§ 256.2–256.5 [Reserved]

§ 256.7 Cross references.

(a) For Bureau of Safety and Envi-
ronmental Enforcement (BSEE) regula-
tions governing exploration, develop-
ment and production on leases, see 30
CFR parts 250 and 270.

(b) For BSEE regulations governing
the appeal of an order or decision
issued under the regulations in this
part, see 30 CFR part 290.

(c) For multiple use conflicts, see the
Environmental Protection Agency list-
ing of ocean dumping sites—40 CFR
part 228.

(d) For related National Oceanic and
Atmospheric Administration programs
see:

(1) Marine sanctuary regulations, 15
CFR part 922;

(2) Fishermen's Contingency Fund, 50
CFR part 296;

(3) Coastal Energy Impact Program,
15 CFR part 931;

(e) For Coast Guard regulations on
the oil spill liability of vessels and op-
erators, see 33 CFR parts 132, 135, and
136.

(f) For Coast Guard regulations on
port access routes, see 33 CFR part 164.

(g) For compliance with the National
Environmental Policy Act, see 40 CFR
parts 1500 through 1508.

(h) For Department of Transpor-
tation regulations on offshore pipeline
facilities, see 49 CFR part 195.

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(i) For Department of Defense regulations on military activities on offshore areas, see 32 CFR part 252.

§§ 256.8–256.12 [Reserved]

Subpart B—Oil and Gas Leasing Program [Reserved]

Subpart C—Reports From Federal Agencies [Reserved]

Subpart D—Call for Information and Nominations [Reserved]

Subpart E—Area and Identification and Tract Size [Reserved]

Subpart F—Lease Sales [Reserved]

Subpart H—Rentals and Royalties [Reserved]

Subpart I—Bonding [Reserved]

Subpart J—Assignments, Transfers, and Extensions

§§ 256.62–256.68 [Reserved]

§ 256.70 Extension of lease by drilling or well reworking operations.

The term of a lease shall be extended beyond the primary term so long as drilling or well reworking operations are approved by the Secretary according to the conditions set forth in 30 CFR 250.180.

§ 256.71 Directional drilling.

In accordance with a BOEM-approved exploration plan or development and production plan, a lease may be maintained in force by directional wells drilled under the leased area from surface locations on adjacent or adjoining land not covered by the lease. In such circumstances, drilling shall be considered to have commenced on the leased area when drilling is commenced on the adjacent or adjoining land for the purpose of directional drilling under the leased area through any directional well surfaced on adjacent or adjoining land. Production, drilling or reworking of any such directional well shall be

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considered production or drilling or reworking operations on the leased area for all purposes of the lease.

§ 256.72 Compensatory payments as production.

If an oil and gas lessee makes compensatory payments and if the lease is not being maintained in force by other production of oil or gas in paying quantities or by other approved drilling or reworking operations, such payments shall be considered as the equivalent of production in paying quantities for all purposes of the lease.

§ 256.73 Effect of suspensions on lease term.

(a) A suspension may extend the term of a lease (see 30 CFR 250.171) with the extension being the length of time the suspension is in effect except as provided in paragraph (b) of this section.

(b) A Directed Suspension does not extend the lease term when the Regional Supervisor directs a suspension because of:

(1) Gross negligence; or

(2) A willful violation of a provision of the lease or governing regulations.

(c) BSEE may issue suspensions for a period of up to 5 years per suspension. The Regional Supervisor will set the length of the suspension based on the conditions of the individual case involved. BSEE may grant consecutive suspensions. For more information on suspension of operations or production refer to the section under the heading “Suspensions” in 30 CFR part 250, subpart A.

Subpart K—Termination of Leases

§ 256.76 [Reserved]

§ 256.77 Cancellation of leases.

(a) Any nonproducing lease issued under the act may be cancelled by the authorized officer whenever the lessee fails to comply with any provision of the act or lease or applicable regulations, if such failure to comply continues for 30 days after mailing of notice by registered or certified letter to the lease owner at the owner’s record